

SCHEDULE UTC**Form 740**

42A740-UTC (10-07)

Commonwealth of Kentucky
DEPARTMENT OF REVENUETaxable Year
Ended

/ ____

**UNEMPLOYMENT TAX CREDIT
KRS 141.065**

► Attach to your tax return. ► See instructions.

| | | | |
|--|-------------|----------------------------|--|
| Name of Individual, Corporation or Pass-through Entity | | Social Security Number | |
| Street Address or P.O. Box | Apt. Number | Federal Employer ID Number | |
| City | State | ZIP Code | Kentucky Corporation/LLET Account Number |

PARTNERS /MEMBERS/ BENEFICIARIES

Enter name and address of pass-through entity from Form 720S, Form 765, Form 765-GP or estate or trust from Form 741.

Enter your share of credit from

- Form 720S, Schedule K-1 _____
- Form 765, Schedule K-1 _____
- Form 765-GP, Schedule K-1 _____
- Form 741, Schedule K-1 _____

See instructions before entering this amount on Form 740 and Form 740-NP, Section A, line 6, column A or B; or Form 741, line 18.

Do not complete the rest of Schedule UTC.

PERSONS EMPLOYED

Enter below the name(s), Social Security number(s) and Office of Employment and Training Certificate number(s) of employee(s) for whom you are claiming a credit. Also enter the date employed and the last date employee was on your payroll during the tax year. (Additional entry lines on reverse.)

| | Employee's Name | Social Security Number | Office of Employment and Training Certificate Number | Employment Dates | | | | | |
|----|-----------------|------------------------|--|------------------|-----|-----|-----------------------|-----|-----|
| | | | | Date Employed | | | Date Employed Through | | |
| | | | | Mo. | Day | Yr. | Mo. | Day | Yr. |
| 1. | | | | | | | | | |
| 2. | | | | | | | | | |
| 3. | | | | | | | | | |
| 4. | | | | | | | | | |
| 5. | | | | | | | | | |
| 6. | | | | | | | | | |
| 7. | | | | | | | | | |
| 8. | | | | | | | | | |

27. (a) Enter number of employees listed above _____
- (b) Enter number of employees listed on reverse of this form _____
28. Add lines 27(a) and 27(b), enter total _____
29. Unemployment tax credit: Multiply the amount on line 28 by \$100 _____
30. LLET Credit—Enter on Schedule TCS, Part II, Column E _____
31. Corporation Income Tax Credit—Enter on Schedule TCS, Part II, Column F _____
32. Individual Income Tax Credit—Enter on Form 740, Form 740-NP or Form 741 _____



INSTRUCTIONS

The Unemployment Tax Credit is applied against the individual income tax imposed under KRS 141.020, the corporation income tax imposed under KRS 141.040 and the limited liability entity tax (LLET) imposed under KRS 141.0401. The amount of credit claimed against the corporation income tax and the LLET can be different.

Kentucky law permits an unemployment tax credit against the income tax and LLET liability of employers who hire qualified unemployed Kentucky residents. The credit is \$100 per qualified person hired. To qualify, the person employed must have been officially unemployed for 60 days immediately prior to employment and must have remained employed for 180 consecutive days during the tax year. The Education Cabinet, Office of Employment and Training must classify persons hired as being unemployed.

A taxpayer/employer cannot claim the credit for an employee: **(1)** for whom the taxpayer/employer receives federally funded payments for on-the-job training; or **(2)** who qualifies as a dependent of the taxpayer/employer for federal and state income tax purposes; or **(3)** who is a relative of the taxpayer/employer, or an individual who owns more than 50 percent of the outstanding stock of a corporation; or **(4)** if the taxpayer/employer is an estate or trust, who is a grantor, beneficiary or fiduciary of the estate or trust, or who is a relative of the grantor, beneficiary or fiduciary.

Pass-through entities, estates and trusts must pass through the unemployment tax credit pro rata to partners/members/shareholders and beneficiaries. A copy of this schedule or other evidence of the credit must be furnished to the respective taxpayers. **Partners, members, shareholders and beneficiaries unemployment tax credit is limited to 90 percent of their Kentucky tax liability and the excess may be carried back three years and forward 15 years.** The limitation and credit are applied to the Kentucky income tax liability before any prepayments or other cash payments are credited to the taxpayer's account for the taxable year.

The tax credit cannot reduce the LLET below the \$175 minimum.

This schedule must be attached to Form 720, Form 720S, Form 725, Form 740, Form 740-NP, Form 741, Form 765 or Form 765-GP before credit will be allowed.

| Employee's Name | Social Security Number | Office of Employment and Training Certificate Number | Employment Dates | | |
|-----------------|------------------------|---|------------------|-----|-----------------------|
| | | | Date Employed | | Date Employed Through |
| | | | Mo. | Day | Yr. |
| 9. | | | | | |
| 10. | | | | | |
| 11. | | | | | |
| 12. | | | | | |
| 13. | | | | | |
| 14. | | | | | |
| 15. | | | | | |
| 16. | | | | | |
| 17. | | | | | |
| 18. | | | | | |
| 19. | | | | | |
| 20. | | | | | |
| 21. | | | | | |
| 22. | | | | | |
| 23. | | | | | |
| 24. | | | | | |
| 25. | | | | | |
| 26. | | | | | |